



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

August 27, 2014

Lt. Colonel Chamberlayne
U.S. Army Corps of Engineers
Charleston District
Charleston Regulatory Office
69A Hagood Avenue
Charleston, South Carolina 29403

SUBJ: Haile Gold Mine Final Environmental Impact Statement

Dear Sir:

Pursuant to Section 309 of the Clean Air Act (CAA) and Section 102(2) (C) of the National Environmental Policy Act (NEPA), the U.S. Environmental Protection Agency (EPA) Region 4 has completed our review of the Final Environmental Impact Statement (FEIS), regarding Haile Gold Mine. As a cooperating agency, EPA appreciates the U.S. Army Corps of Engineers' (USACE's) coordination as lead agency with the EPA, the South Carolina Department of Health and Environmental Control (SCDHEC), and the Catawba Nation on the Haile Gold Mine EIS project. The purpose of this letter is to formally communicate the EPA's issues of concern with the Haile Gold Mine FEIS.

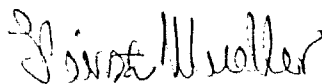
The proposed Haile Gold Mine is located three miles northeast of the Town of Kershaw in southern Lancaster County, South Carolina. Haile Gold Mine is approximately 17 miles southeast of the City of Lancaster, which is approximately 30 miles south of Charlotte, North Carolina. Haile Gold Mine, Inc., is a subsidiary of Romarco Minerals, Inc. (Romarco). Haile Gold Mine has applied for a Department of the Army (DA) permit from the Charleston District Office, to authorize the discharge of dredged or fill material into waters of the United States pursuant to Section 404 of the Clean Water Act (CWA) during the mining process. The project involves a federal action because the dredged or fill activities associated with gold mining in wetlands and other waters of the United States (Waters of the U.S.) require authorization through a DA permit under Section 404 of the CWA (33 U.S. Code §1344). The total area disturbed by the project is estimated to be 2,612 acres. Approximately 120.5 acres of wetlands and 26,461 linear feet of stream course would be disturbed during construction and operations of the mining project.

Many of our primary concerns with the DEIS were addressed in the FEIS. However, EPA continues to have concerns that are associated with the following: regulatory design issues along with wetland and stream mitigation; as well as post operational monitoring of groundwater and

surface water discharges. Our additional technical comments supporting our concerns are attached. We request that our comments be fully addressed in the Record of Decision (ROD).

EPA is presently reviewing the recently submitted Mitigation Plan and will provide comments to USACE through the CWA Section 404 collaboration process. EPA appreciates USACE's efforts to collaborate with SCDHEC, USACE and the Catawba Nation to address the multitude of complex technical issues associated with this project. We look forward to working with SCDHEC and USACE for the next steps with the ROD, permit conditions and follow up monitoring on this project. If you have any questions, please contact Larry Long of my staff at long.larry@epa.gov, or, 404-562-9460.

Sincerely,



Heinz Mueller, Chief
NEPA Program Office
Office of Environmental Accountability

Attachment:

CC:

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EPA R4 Technical Comments
For
Haile Gold Mine DEIS
August 27, 2014

EPA Region 4 NEPA office along with our associate technical reviewers has reviewed the Haile Gold Mine DEIS and FEIS including associated appendices, prepared by the U.S. Army Corps of Engineers, Charleston District office and their contractor CardnoEntrix. We provide these technical comments as a cooperating agency to better communicate our concerns with this project. Our concerns are as follows:

Regulatory Design Issues

EPA's DEIS comments referenced engineering standards for free-board design as it is related to catastrophic events. Based on our review of the FEIS and analysis of responses to comments we reiterate our concerns. Engineering standards are established as minimums for a concise set of conditions that differs with geography and site conditions. Minimum standards do not take into account catastrophic events. The project is located in an area with a history of tropical storms and hurricanes. EPA recommends that the potential for catastrophic events such as flooding from tropical storms and hurricanes be considered in design where necessary.

Financial Assurance

EPA's comments in the DEIS recommended that the amount of Financial Assurance be adequate to cover the real cost of clean-up, post mining. EPA is supportive of the SCDHEC process for securing financial assurance for this project.

Surface and Groundwater

EPA's concerns as stated in the DEIS comments in reference to surface and groundwater issues, and the associated physical environmental changes that will occur over time should be addressed in the permitting process. As noted in Haile's response to EPA's DEIS comments, SCDHEC is the permitting agency for this project. As in all CWA delegated regulatory programs, for which EPA has oversight, EPA works collaboratively with the state regulatory agencies to ensure compliance with the CWA. EPA supports SCDHEC in their efforts to ensure compliance with the CWA for this project.

Wetlands and Stream Mitigation

EPA has reviewed the FEIS mitigation section for the Haile Gold Mine project. The applicant proposes permittee-responsible mitigation comprised of 3 sites. The Rainbow Ranch Site is 698 acres containing 19,714 LF of streams and 28.11 acres of wetlands. The Cooks Mountain Site is 1,131.8 acres, containing 28,292 LF of streams, 10,289 LF of Wateree River shoreline and 485.1 acres of wetlands. The Goodwill Plantation Site is 2,559 acres, containing 30,706 LF of streams, 29,560 LF of Wateree River shoreline and 1,048.1 acres of wetlands. The shoreline of the Wateree River should not be included in preserved stream linear footage calculations due to only one bank of the river being included in the Mitigation Plan. The Mitigation Plan contemplates that these sites will be preserved and managed under SCDNR's Heritage Trust Program.

Overall, we find that the sites as proposed may have potential to mitigate for impacts to Waters of the United States. This is contingent on the applicant effectively addressing the following comments and being able to demonstrate the preservation and/or functional lift of the wetlands and streams included in the proposal.

Due to the majority of the mitigation being out of the impact watershed, the EPA believes the preservation should be done in conjunction with restoration projects on those sites. The EPA understands that restoration projects are planned by the South Carolina Department of Natural Resources after the lands are transferred to the Heritage Trust Program. However, to fully evaluate the mitigation plan, the EPA requests the 12 elements specified in the mitigation rule be evaluated and documented including: objectives, site selection, site protection instrument, baseline information, determination of credits, mitigation work plan, maintenance plan, performance standards, monitoring requirements, long-term management plan, adaptive management plan, and financial assurances. This information was not included in the FEIS and the EPA continues to believe that this is essential for determining the adequacy of the mitigation plan.

The FEIS states, “distinction between *indirect* and *secondary* impacts is being made in this case for the purposes of this compensatory mitigation discussion only to differentiate between *secondary* impacts associated with the placement of fill material (such as wetland and stream habitat fragmentation) and the *indirect* impacts caused by other Project activities such as dewatering associated with groundwater pumping that are not regulated under Section 404 of the CWA and therefore do not require compensatory mitigation.” The EPA disagrees with the COE’s interpretation of secondary versus indirect impacts in the FEIS. The EPA contends that impacts to Waters of the US due to groundwater drawdown are associated with and the result of the dredge or fill project requiring a 404 permit and therefore are secondary impacts which must be mitigated. These secondary impacts are uncertain in severity and scope due to the margins of error in modeling. While the EPA disagrees with the FEIS interpretation, even with the groundwater impacts included in calculations, the mitigation is greater than a 1:1 ratio. Therefore, with proper restoration included, the EPA believes the mitigation plan may be adequate to compensate for all unavoidable impacts. Due to the uncertainty of the secondary impacts, a robust monitoring plan should be implemented to ensure the true impacts are documented and mitigated. If monitoring reveals that impacts are greater than expected, additional mitigation review would be required.

Through meetings with the USACE, other resource agencies, and the applicant, the EPA has voiced the above concerns and has been assured that they will be addressed. However, at this time the mitigation plan is still being reviewed and EPA will provide additional technical comments in reference to a completed mitigation plan through the CWA Section 404 collaboration process. We also request that a completed mitigation plan be documented in the ROD.

Summary:

EPA appreciates the opportunity to review the Haile Gold Mine FEIS. We request that our comments be formally documented in the ROD, and that USACE provide EPA with a hard copy of the final signed ROD.